



H.R. 8915, the *Education and Workforce Freedom Act* Rep. Hern (R-OK)

Background:

- Over **16 million** Americans use 529 savings accounts (529s), which provide flexibility and enable families to invest their hard-earned dollars toward primary and post-secondary education.
 - 529s are tax-advantaged savings accounts used to pay for qualified expenses associated with post-secondary education including tuition, fees, books, supplies, and equipment.
 - 529s can also be used to pay for expenses incurred for registered apprenticeships and up to **\$10,000** annually for student loan payments.
 - Beneficiaries can utilize tax-free withdrawals from 529s to pay for such expenses.
- The Trump tax cuts of 2017 expanded on the success of 529 accounts to include up to **\$10,000** per year for K-12 tuition expenses.

Issue(s):

- 529s could be further expanded to help parents and students alike afford primary, secondary, and post-secondary education and job training costs.
- 529 accounts should cover **additional K-12 educational expenses** for public, private, and religious educational institutions—in addition to homeschooled students – giving parents the tools to provide an education customized to their child’s unique needs.
 - In 2017, this expansion was included in the Trump tax cuts but was stripped by Senate Democrats under the Byrd Rule.
 - In 2019, the *Student Empowerment Act*, with these same provisions, was included in the bipartisan *SECURE Act* reported unanimously out of the Ways and Means Committee. However, the provision was again removed, by then-Speaker Nancy Pelosi, before the legislation made it to the House floor.
- For too long, society has alienated Americans who choose not to pursue a four-year college degree, leaving many workers without high-demand skills or the financial flexibility to gain needed training.
- Congress should support policies that help workers achieve success in their chosen career path, whether through **skilled trades, technical education, or technology training programs**.

The Education and Workforce Freedom Act:

- Legislation empowers American families, students, and workers with the ability to choose an education most suited to their needs by allowing tax-exempt distributions from 529 plans to be used for additional educational expenses in connection with attendance at **K-12 school (including homeschool)**.
- It also allows for 529s to be used to pay for expenses associated with obtaining or maintaining recognized postsecondary **credentials and licenses**.



K-12 Expansion	Workforce Expansion
<p>Additional expenses include:</p> <ul style="list-style-type: none">• curriculum and curricular materials,• books or other instructional materials,• online educational materials,• tutoring or educational classes outside the home,• testing fees,• fees for dual enrollment in an institution of higher education, and• educational therapies for students with disabilities.	<p>Additional expenses include:</p> <ul style="list-style-type: none">• tuition, fees, books, supplies, and equipment required for attendance/enrollment in a recognized postsecondary credential program,• fees for testing required to obtain a postsecondary credential,• fees for continuing education required to maintain a postsecondary credential.

Endorsed By:

- American Society of Association Executives
- Tomorrow's Workforce Coalition
- Professional Certification Coalition
- Job Creators Network